

BEFORE THE  
FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON, D.C. 20554

In the matter of:

Telephone Number Portability

CTIA Petitions for Declaratory Ruling on  
Wireless-Wireline Porting Issues

CC Docket No. 95-116

**REPLY COMMENTS OF THE IOWA UTILITIES BOARD**

The Iowa Utilities Board (Board) submits these reply comments in response to comments filed in response to the *Further Notice of Proposed Rulemaking* (FNPRM) released by the Federal Communications Commission (Commission) in this docket on November 10, 2003.

**I. Introduction**

In the FNPRM, the Commission requested comment on the technical factors and regulatory requirements associated with wireless-to-wireline porting. The Commission also asked for comment on the feasibility of reducing the porting interval for wireless-to-wireline porting from the four business-day interval utilized by wireline carriers. It appears the comments submitted by industry experts give the Commission a wide-range of opinion on the technical factors involved in intermodal porting.

The Board is aware the Commission has requested that the North American Numbering Council (NANC) provide input on the intermodal-porting interval, so the

Board will wait until the NANC's Issues Management Group has made its recommendation to the Commission before deciding if any comment is necessary on the porting interval issue.

With regard to the regulatory issues related to intermodal porting, the Board wishes to add to the record regarding the possible application of national rules in a predominantly rural environment and the potential adverse effects on rural carriers.

## **II. Regulatory Requirements**

The North American Numbering Plan Administrator shows that Iowa has 837 rate centers and according to the Universal Service Administration Company's FCC filings, the State of Iowa has over 150 local exchange carriers. Three of these carriers are price regulated, with the remainder not rate regulated. These predominately rural carriers serve from one to a few rate centers each. While these numbers categorically rank Iowa at or near the top nationally, it is arguable that other rural states have similar demographics.

There are no regulatory requirements in Iowa that prevent wireline carriers from porting wireless numbers when the rate center associated with the number and the customer's physical location do not match. It is the Board's understanding that wireline carriers are already capable of porting numbers outside the associated rate center if they choose. Wireline carriers can also modify the local calling area associated with a particular phone number by a specific line treatment in the switch. However, most rural carriers in Iowa are average-schedule companies and rely on National Exchange Carrier Association (NECA) settlements, which are based on the rate center

methodology. Altering the current rating and routing of calls will most likely affect the rural carriers' revenues to some degree.

### **III. Local Calling Areas**

The Board agrees with commenters who propose that there should be parity within the four possible permutations of porting numbers.<sup>1</sup> In a broad sense, in order to be competitively neutral, wireless and wireline carriers need to receive the same regulatory treatment and each should be able to compete for each other's customers.

Qwest comments that the wisest approach to the problem is for the Commission to allow wireline carriers to establish larger local calling areas through rate design and rate center changes at the state level, with State Commissions acting only in cases where there is a particular request or need.<sup>2</sup>

The Board sees this as a workable approach in rural areas because it allows smaller wireline carriers to choose whether to compete with wireless carriers by widening their calling areas or making other adjustments suitable to the company. As Sprint points out, wireline carriers are not being forced to serve customers they do not wish to serve.<sup>3</sup> It makes sense that wireline carriers should be able to choose whether they want to allow a ported-in wireless customer to keep the same local calling area the customer had with the wireless company at no additional cost.

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<sup>1</sup> T-Mobile USA, Inc. at p. 3. Illinois Citizens Utility Board at pp. 3-4.

<sup>2</sup> Qwest Corporation at p. 4.

<sup>3</sup> Sprint Corporation at p. 16.

#### **IV. Number Conservation**

BellSouth Corporation comments that one way to overcome competitive disparity when the wireless number is different from the rate center in which the wireline carrier seeks to serve the customer, is to have wireless carriers receive numbering resources in every rate center it serves. BellSouth contends that area code exhaust is no longer a concern.<sup>4</sup> This may be true in BellSouth's and other urban carriers' territories or in the top 100 MSAs, but it is not the case in rural states.

Using Iowa's 837 rate centers as an example, the number of NXX codes required to initiate BellSouth's idea would be devastating to Iowa's number conservation efforts because thousands-block number pooling activity is very limited in Iowa's rural exchanges.

Sprint points out that requiring wireless carriers to obtain telephone numbers they do not need does not promote the Commission's number conservation policies, nor the public interest. Sprint comments that it alone would have to acquire over 9 million numbers it does not need in order to make a BellSouth-type plan work.<sup>5</sup> This is not a sensible option.

#### **V. Rate Center Changes**

Nextel states that it appreciates the fact that rate center consolidation (RCC) is not a simple or easy option for certain states and carriers, yet suggests that the Commission encourage states to further consolidate rate centers as a means of

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<sup>4</sup> BellSouth Corporation at p. 13.

<sup>5</sup> Sprint Corporation at p. 15 and footnote 30.

addressing the rating and routing issues of local carriers.<sup>6</sup> There is agreement with Nextel's assessment up to a point.

In its *Second Report and Order* on number resource optimization, released December 29, 2000, the Commission addressed what it termed the "Rate Center Problem". The Commission categorized the rate center system as one of the major contributing factors to numbering resource exhaust and encouraged the states to explore RCC opportunities. The Commission also commented that it believed metropolitan regions were optimal candidates for RCC.<sup>7</sup>

In January 2001, Board staff held a workshop with the industry on RCC. While the Board was intent on undertaking RCC, it concluded that the large number of small local exchange carriers coupled with existing extended area service (EAS) patterns provided minimal RCC opportunities. This assessment was partially based on the Commission's recommendations that consolidations be in contiguous calling areas having identical or substantially similar rating schemes.<sup>8</sup> Also, RCC will potentially have a substantial negative effect on rural carriers' NECA settlements and subsequent revenues. If the Commission is thinking about a national plan for RCC or for changing the current rate center regime, it must consider these existing limitations.

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<sup>6</sup> Nextel Communications, Inc. at p. 7.

<sup>7</sup> *Second Report And Order, Order On Reconsideration In CC Docket No. 96-98 And CC Docket No. 99-200, And Second Further Notice Of Proposed Rulemaking In CC Docket No. 99-200* on number resource optimization, paragraphs 144-148.

<sup>8</sup> *Id.* at paragraph 147.

## **VI. Cost / Benefit**

Rural customers may encounter some loss of geographical identity, mismatched local calling areas, or different extended area service patterns due to numbers being ported from different rate centers. They almost surely will experience increases to monthly local service bills.

In Iowa's rural exchanges most carriers serve only one or two exchanges and access line counts are small. Recovery of nonrecurring and recurring costs associated with providing wireless porting is likely to result in an increase in the consumers' monthly bill. The actual cost to individual rural carriers to provide wireless porting is not known at this point. However, if a carrier serves 500 customers in a single exchange and its monthly recurring cost for providing wireless porting is \$2000, then, for the carrier to recoup its costs, each customer would need to pay an additional \$4 per month. This does not include recovery for any nonrecurring costs incurred to provision wireless porting. Any similar level of rate increase will certainly have an impact on rural consumers. The Commission and some commenters contend that the demand for wireless-to-wireline porting is expected to be minimal for the foreseeable future.<sup>9</sup> Seemingly the cost, especially in rural areas, is not justified by the benefit.

## **VII. Conclusion**

The Board feels that both wireline and wireless carriers should be able to compete for customers equally. However, due to the higher costs and limitations

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<sup>9</sup> Sprint at pp. 10-11 and footnote 15. Centennial Communications Corp. at p.4.

inherent in rural areas, predicted low demand for wireless-to-wireline porting, and the other reasons outlined above, the Board requests that the Commission consider the impact on rural states and carriers of instituting national policy, especially regarding changes in the current rate center methodology, local calling areas, and number conservation.

Respectfully submitted,

\_\_\_\_\_/s/\_\_\_\_\_  
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